श्री जगदीश प्रसाद माथुर: मैंने ऑटोनॉमस बॉडी का बैकग्राउंड बताया था, उसके बारे में नहीं कहा था। मैं यह पूछना चाहता हूं कि विश्वविद्यालय या यूनिवर्सिटीज स्वयं अपने टी०वी० सेंटर्स शिक्षा के लिए चलाएं, जिनकी ओनरशिप भी उनकी हो।

उनकी ओनरशिप हो, उनका पैसा लगे, सारी जिम्मेदारी उनकी हो, क्या यह प्रश्न आपने कमेटी के सामने रखा है?

श्री पी० एम० सईद: सभापति महोदय, मैंने अभी-अभी पढ़कर सुनाया यह टर्म्स ऑफ रेफरेंस जो इस कमेटी ने बनाई है। इस कमेटी को मानव संसाधन विकास मंत्रालय ने कांस्टीट्यूट किया है और उसके सेक्रेटरी इस कमेटी के चेयरमैन हैं। मैंने पढ़कर सुनाया है कि किस हद तक क्या-क्या अरेंजमेंट कर सकते हैं। अगर विश्वविद्यालय या शिक्षा विभाग के लिए अलहदा करना बेहतर है तो कमेटी की सिफारिश आने तक हम इंतजार कर सकते हैं।

Liberalisation and Globalisation of Economy

*164. SHRI PARMESHWAR KUMAR AGARWALLA: Will The Minister of FINANCE be pleased to state:

(a) what were the broad objectives envisaged by Government for introduction of liberalisation and globalisation of economy;

(b) how far these objectives have been fulfilled;

(c) in what manner and to what extent the poor strata of our society has been benefited;

(d) whether any estimates of the employment opportunities generated exclusively for this strata of society have been made;

(e) if so, the details thereof and if not, the reasons therefor;

(f) whether any advantages to the tiny/SSI/medium industrial sector has occured;

(g) if so, the details thereof; and

(h) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL): (a) to (h) A Statement is laid on the Table of the House.

Statement

The fundamental objective of the Government, economic reforms which are often described as including liberalisation and globalisation of the economy is to bring about rapid and sustained improvement in the quality of life of the people of India and eradication of poverty. Central to this goal is the rapid growth in incomes and productive employment.

These goals as already mentioned in the Economy Survey 1995-96, have been pursued by the promotion of broad based employment generating growth, enhanced plan outlays for poverty alleviation and social sectors such as health and education, and the building of social safety nets to cushion the possible adverse effets of reforms on vulnerable sections during the stage of transition.

The refroms undertaken over the last four and a half years have led to a revival of strong economic growth, rapid extansion of productive employment, a reduction of poverty, a substantial boom in exports and marked decline in inflation. The full dimensions of the recovery produced by the far reaching reforms initiated in 1991-92 are now becoming clear. Growth of real GDP at factor cost, which had falled to a mere 0.8 per cent in the crisis year of 1991-92, recovered within a year to reach 5.1 per cent in 1992-93. This represents one of the fastest economic recoveries from macroeconomic crisis. Fiscal and macroeconomic policies helped in maintaining a growth rate of 5 per cent in 1993-94, despite the disturbing events of late 1992-93. Overall economic growth accelerated significantly in 1994-95 to attain 6.3 per cent and is projected to record a similar high growth of 6.2 per cent in 1995-96.

The growth recovery has been accompanied by much lower current account deficits in the balance of payments, a drop in inflation below the historical average of around 8 per cent, a rise in the domestic saving rate to a record high level of 24.4 per cent of GDP and a reduction in the gross primary fiscal deficit to its lowest level in decades.

Exports declined in dollar value in 1991-92. They grew by 20 per cent in 1993-94, and by 18 per cent in 1994-95. Exports growth has accelerated to 24 percent in the first nine months of 1995-96. Foreign investments has risen from less than 200 million dollars in 1991—92 to nearly 5 billion dollars last year.

On the eve of 1991 crisis our external debt was rising at 8 billion dollar per year. In the four and half years from April 1991 to September 1995, the gowth of external debt has averaged only 2.2 billion dollars per year. The ratio of external debt to GDP has fallen from peak of 41 per cent in 1991-92 to about 29 per cent in September 1995. Correspondingly debt service payments, as per cent of current earnings, are likely to drop from above 35 per cent in 1990-91 to below 27 per cent in 1995-96.

Foodgrain production, which had fallen by about 5 per cent to 168 million tonnes in 1991-92, touched a record level of 191.1 million tonnes in 1994-95. The output of foodgrains in 1995-96 may be marginally lower at 190 million tonnes because of some decline in rice output. Nevertheless, public food stocks soared to a record level of 36 million tonnes in July, 1995 and stood at 24.6 million tonnes at the beginning of 1996.

The industrial sector has surged ahead, registering a growth of 8.6 per cent in 1994-95 and a still higher growth of 12.0 per cent during April-September 1995 (over corresponding period of last year).

The reforms have also had clear beneficial impact on living standards and social indicators. Following an initial deterioration resulting from the 1991 crisis, the setbacks to real agricultural wages, mortality rates and the growth of employment, were soon reversed. After declining by 6.2 per cent in the crisis year of 1991-92 the growth of real wages of unskilled agricultural labour has averaged 5.1 per cent per annum in the next three years. Provisional estimate by the Planning Commission indicate that in 1993-94 the incidence of poverty had declined to below 19 per cent of India's total population. The rate of poverty reduction, in terms of per cent of people below the poverty line, during 1987-88 to 1993-94 was the same as in the 1983-84 to 1987-88 period, despite the intervening crisis of 1991-92. After the crisis-induced low of 1991-92, annual economy-wise employment growth is estimated to have averaged 6.3 million jobs per year over 1992-93 to 1994-95, with 7.2 million additional employment in 1994-95. This has to be viewed against estimates of annual employment increase of 4.8 million in the 1980s. The available data suggested that reforms have brought significant benefits to the poor. Indeed, but for the stabilisation-cum-structural reforms implemented since 1991, the economic crisis would have worsened and the poor would have been its worst victim.

Several policy initiatives and procedural simplification have been undertaken by the Government to support the small scale sector and enhance its competitive strength. The measures encompass areas like greater infrastructural support, more and easier availabilities of credit, ower rates of duty, technology upgradation building enterpreneurial talert, quality improvement, export incentive etc.

These measures have helped in raising the output growth of the small scale sector in real terms at the rate of 10.1 per cent in 1994-95, as against 7.1 per cent in 1993-94 and 5.6 per cent in 1992-93. These rates were significantly higher than the growth rates achieved by the industrial sector as whole.

DR. DEBI PROSAD PAL: A statement has been laid on the Table of the House. I need not read it. The entire objective of the liberalisation policy is to improve the quality of life of the people. I have already mentioned in the statement the effect of liberalisation on different sectors of the economy.

SHRI PARMESHWAR KUMAR AGARWALLA: While announcing the new policy on 24th July, 1991, the Government had stated some laudable policy objectives which included continuation of the policy of self-reliance; second, achievement of social and economic justice; third, elimination of unemployment; fourth, increased competition for the benefit of the common man; fifth, entrancement of support to the small sector; sixth, foreign investment and technology to obtain higher technology; seventh, abolition of monopoly. But the ground reality is different. I will deal with each point one by one. It is a very important question.

MR. CHAIRMAN: Make it brief.

SHRI PARMESHWAR KUMAR AGARWALLA: Against our policy of self-reliance, we are now importing a large variety of luxury items. Even cars like Mercedes are being imported. This is my question so far as self-reliance is concerned. Considering the achievement of social and economic objectives, the poverty level has increased from 35.5% to 39%. This is not my figure at all. This is the figure of the Planning Commission's expert group.

MR. CHAIRMAN: Please put your question.

SHRI PARMESHWAR KUMAR AGARWALLA: Yes, Sir. There is a wide disparity between the 'haves' and the 'have-nots'. Regarding elimination of poverty, Dr. Panchmukhi has said... ...*(Interruptions)*

AN HON. MEMBER: What is this? He is quoting somebody's statement? *(Interruptions)* You are wasting the time of the House.

MR. CHAIRMAN: Please put your question.

SHRI PARMESHWAR KUMAR AGARWALLA: I have listened to many things from these Members in this House. When I get a chance, they always disturb like this.

MR. CHAIRMAN: Please put the question. Nobody will disturb you.

SHRI PARMESHWAR KUMAR AGARWALLA: Dr. Panchmukhi has said, "More than 50 per cent of the people are below the poverty line." This is against their claim. Again, none of my questions has been properly replied to. They say that they had given this much for lower strata, this and that. The hon. late Shri Rajiv Gandhi said in one of his meetings that against one rupee spent by the Government the real achievement for the poor was 25 paise...*(Interruptions)* Yes, 15 paise only. Now, what is the Government doing? Sir, my question is, instead of announcing big policies in support of the poor, has the Government developed any mechanism to see to it that whatever money is spent for the poor reaches them and that the poor are really benefited? This is my first question.

MR. CHAIRMAN: That is a good question.

DR. DEBI PROSAD PAL: Sir, I don't think that the hon. Member is right in his contention. There has been a substantial reduction in the poverty line during the last four and a half years since the new Economic Policy was introduced in July, 1991. Today, the number of people living below the poverty line has been substantially reduced from what it was before June, 1991.

MR. CHAIRMAN: You put your second supplementary. Please make it a question. That is what I am saying.

SHRI PARMESHWAR KUMAR AGARWALLA: I will have to make the points brief. As regards the maximum employment generation, that can be done

by the small scale and the medium scale units; I put three questions to three Ministries, namely, Steel, Power and Petrochemicals. They said that there was no policy for the tiny, small and medium sector units. Now, the Government says that they wanted to remove the disparity. How? Only ten houses in this country are controlling the major sectors, namely, steel, power, oil exploration, oil refining and even telecommunciations. Is it going to percolate to the masses? My second question is; Instead of merely relying on the information on paper, in view of the experience of the Government in the last four years, is the Government going to review the entire policy so that the real benefit goes to the poor people?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Chairman, Sir, the whole purpose of the Economic Policy must be to eradicate poverty. And the question is, how are we going to remove poverty? We need more employment opportunities and for that we need a high rate of growth. In the last four years, the growth rate of the economy on an average is 5.7 per cent which is entirely in line with the growth target of the Eighth Five Year Plan. In terms of employment opportunities as per the estimates of the Planning Commission, in the year of 1991-92 crisis, only 3 million new jobs were created. In 1992-93 and 1993-94, the average additional employment increased to 6 million. In 1994-95, the increase was to 7.2 million. In 1995-96, our estimate is that there will be an increase of at least 8 million new jobs. A question was raised as to whether the Government has a policy for the small industries or not. The biggest beneficiary of this liberalisation is going to be the small industry sector.

Why? It is because the small scale industry people cannot run after licences; the small scale industry people cannot run after import licences. So, the policy of deregulation, the policy of import liberalisation and the policy of ensuring that technical collaboration is available to all without running after the Government Departments is something which is going to benefit the small scale industry more and the proof of that is that in the last three years, the growth rate of small scale industry has exceeded the overall growth rate of industry. I would also like to say that we have a policy of reservation for small scale industry. Our Government has not made any changes in that policy. We will give all possible facilities to encourage the dispersed growth of industrialisation in our country.

SHRI VIREN J. SHAH: Mr. Chairman, the Minister has not said about the mechanism to ensure that the rupee is reaching the targeted group in full.

SHRI MANMOHAN SINGH: Sir, it is true that there are leakages in the system. The Central Government has certain responsibilities. The Central Government has over the years taken over more and more responsibilities which in the strict interpretation of the Constitution should have been the responsibilities of the State Governments. Now there have been complaints. What is the mechanism to look into such complaints? Ultimately the only way to prevent these leakages is to give power to the people. Sir, our Government under the leadership of our Prime Minister have redeemed that pledge to have in every State duly elected local bodies in villages, in municipalities. They have been given both administrative powers and financial powers. The Central Government in these four yeas is going to allocate at least Rs. 4,000 crores from the Central fund which will go to these panchayat bodies. In the same way, the Constitution has been amended to ensure that the State Government's will also make resources available to the panchayats and other local bodies. "Power to the people" is the ultimate sanction to prevent the type of leakages which the hon. Member was mentioning.

SHRI JAYANT KUMAR MALHOTRA: Mr. Chairman, Sir, through you, I would like the Finance Minister to inform us how the small scale sector, the growth

of which has been so impressively recorded in his statement, is protected from the influx of the multinationals. I wish to place on record that a product, sanitary towels, which was restricted right from 1959 and is still restricted to the small scale sector, has been allowed to be encroached by three multinationals, each of which has a turnover of over Rs. 1,00,000 crores. They have in the last four years captured 98% of the Indian market. There is no protection for the small scale sector. There are many other products. I would like, through you, Sir, to ask the Finance Minister as to what protection is available to the small scale sector from this kind of illegal entry by the multinationals.

SHRI MANMOHAN SINGH: Sir, I have already mentioned that there are certain sectors of industry which are reserved for the small scale sector. If this reservation policy is violated, then the law of the land will take its own course.

SHRI JAYANT KUMAR MALHOUTRA: Sir, hundreds of comlaints were lodged with the Ministry of Finance and the Ministry of Industry in the past four years. But the law of the land has not taken its course. There has been no response. There has been no investigation into such complanits. No action has been taken by either Ministry.

SHRI MANMOHAN SINGH: Sir, this is a question which relates to the Ministry of Industry. But I would repeat that as far as the general policy of the Government is concerned, there are certain sectors which are reserved for the small scale sector. If any industry violates that, that is not consistent with the policy that we have.

SHRI JAYANT KUMAR MALHOUTRA: Sir, no action has been taken by either Ministry on those who have violated the policy of the Government...*(Interruptions)*...

MR. CHAIRMAN: Mr. Jagesh Desai.

SHRI JAGESH DESAI: Mr. Chairman, Sir, I am very happy that the Finance Minister has tried to help the small scale industries to the extent possible.

Sir, when the foreign banks were not able to give advances for the priorities sector, that shortfall has to be made up through bonds of the Small Scale Industies Development Bank of India. That money is now available for the small scale industries.

Sir, in spite of that there is a crunch of resources. I want to know whether the Finance Minister would try to see that whenever advances are given to them, first the preference will be given to small scale industries as small scale industries are the backbon of our development. They are producing 40 per cent of total production. These industries are doing their level best for earning foreign exchange. I would like to know whether the Minister would assure that he would do his best to see that they are helped.

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, it is the declared policy of the Central Government that the priority sectors of the economy should continue to get 40 per cent of the total bank credit. There is no change in the policy. In further pursuit of that policy, particularly to take care of the problems of the neglected regions of the North-Eastern States, we have only recently set up a new financial institution, the North-Eastern Development Finance Institution, which will provide assistance for the industrial development of small and medium enterprises. So, Sir, I would like, through you, to reiterate that as far as the Banking Policy is concerned, the Credit Policy is concerned, there is no change in the policy for priority sector.

SHRI CHATURANAN MISHRA: Does it include the foreign banks?

SHRI MANMOHAN SINGH: Yes, Our Government has, in fact, imposed additional obligations on the foreign banks than were prevailing in 1991.

SHRI CHATURANAN MISHRA: Is this 40 per cent clause applicable to them? ...*(Interruptions)*...

Mr. CHAIRMAN: This is what he has said...*(Interruptions)*...

SHRI MD. SALIM: Mr. Chairman, Sir, this is a good piece of preface to serve as preface of the manifesto of the Congress Party for the ensuing election. I congratulate you for this manifesto. सर, जो स्पेसिफिक क्वेश्चन पूछा गया था, उसका स्पेसिफिक जवाब नहीं दिया गया, इस तरह से इसको क्लब कर दिया गया एक जवाब में। उनसे ब्रोड ऑब्जेक्टिवस के बारे में पूछा था। वह कहते हैं कि हमें सोशल सैक्टर, हैल्थ एज्युकेशन और पावर्टी एलिवेशन के लिए कुशल बनाने की कोशिश की है, लेकिन उसके जवाब के भाग बी०सी०ई० में उन्होंने इसके बारे में नहीं कहा, बल्कि उनका प्रोग्राम क्या था, रिफोर्मस् के एचीवमेंट्स क्या थे, उन्होंने बजट-स्पीज के एक्सर्टस यहां दे दिये हैं। मैं मंत्री महोदय से पूछना चाहता हूं कि जब रिफोर्म्स की एचीवमेंटस के बारे में बता रहे हैं तो क्या आप इस सदन के माध्यम से पूरे देश को और हमें यह जवाब देंगे कि कुशल बनाने की जो बात कर रहे हैं तो पावर्टी एलिवेशन, हैल्थ एज्युकेशन और सोशल सैक्टर के बारे में क्या किया है, इसे इलोबोरेट करके बतायें और यह भी बताये कि उसके रिजल्ट्स क्या हुए?

†श्री मुहम्मद सलीम: जो स्पेसिफिक क्वेश्चन पूछा गया था। उसका स्पेसिफिक जवाब नहीं दिया गया इस तरह से उसको क्लब कर दिया गया एक जवाब में। उन्होंने ब्रोड ऑब्जेक्टिवस के बारे में पूछा था। वह कहते हैं कि हमें सोशल सैक्टर हैल्थ एज्युकेशन और पावर्टी एलिवेशन के लिए कुशल बनाने की कोशिश की है। लेकिन उसके जवाब के भाग बी०सी०ई० में उन्होंने इसके बारे में नहीं कहा बल्कि

†[ ] Transliteration in Arabic Script.

उनका प्रोग्राम क्या था, रिफोर्मस् के एचीवमेंट्स क्या थे, उन्होंने बजट-स्पीज के एक्सर्टस यहां दे दिये हैं। मैं मंत्री महोदय से पूछना चाहता हूं कि जब रिफोर्म्स की एचीवमेंटस के बारे में बता रहे हैं तो क्या आप इस सदन के माध्यम से पूरे देश को और हमें यह जवाब देंगे कि कुशल बनाने की जो बात कर रहे हैं तो पावर्टी एलिवेशन, हैल्थ एज्युकेशन और सोशल सैक्टर के बारे में क्या किया है, इसे इलोबोरेट करके बतायें और यह भी बताये कि उसके रिजल्ट्स क्या हुए?

SHRI MANMOHAN SINGH: Sir, I have already mentioned that if you look at the profile of poverty, then we have a standard methodology which has been adopted by the Planning Commission, Plan after Plan. According to the same methodology the proportion of people living below the poverty line was over 25 per cent in 1987-88. In the next Sample Survey which was conducted in the year 1993-94, the proportion of people living below the poverty line fell below 19 per cent. Also, Sir, I would like to point out that the year of 1993-94 was a year in which food prices were rising. In the last two years, the food prices, particularly from the public distribution system, have been kept stable. If a similar survey was repeated in 1994-95 or 1995-96, you would get still better results.

Now, I would also mention other figures about employment. I would give statistics for one more area.

Agricultural labourers are the poorest sections of our society. We have stated it in the Economic Survey that in the year

1991-92, the year of crisis, the real wages of agricultural labour fell, but thereafter even after correcting higher inflation, the real wages of agricultural labour have gone up.

SHRI SATISH AGARWAL: Sir, I very much dispute the figures with regard to poverty. It is a fact that the Planning Commission constituted an Expert Group in September, 1989 to look into the methodology for estimation of poverty level at national and State level and also to go into the procedure for determining poverty?

This Group submitted its report in 1993. Would you kindly place the report of that Group on the Table of the House? According to that Group, the poverty figures have not gone down...*(Interruptions)*...

SHRI MANMOHAN SINGH: Sir, this is a question which should be addressed to the Planning Commission, but I would like to mention that there are several ways in which you can measure poverty. We have adopted a consistent methodology in the Sixth Five Year Plan, Seventh Five Year Plan and in the Eighth Five Year Plan. You cannot change the methodology in between and then...*(Interruptions)*...

That report is already available in the Planning Commission. Anybody who wants to see it, can see it...*(Interruptions)*...

SHRI SATISH AGARWAL: Sir, they are misleading the House on poverty...*(Interruptions)*...

MR. CHAIRMAN: The Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Committee for Standard qualities of Textiles

*165. SHRI RAMDAS AGARWAL: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have constituted any committee to ensure standard qualities of textiles for internal marketing export purposes and for manufacture and use of standard type of textile machinery in the country; if so, the composition thereof;

(b) whether this committee will strengthen India not only to participate in global competition but also to offer consultancy on implementation of the ISO-9000 quality systems; and

(c) what steps government have recently initiated to boost exports in the textile sector during 1996-97 as compared to the last two years indicating the export target set by the turn of the century in US billion dollars?

THE MINISTER OF LABOUR AND THE MINISTER OF TEXTILES (SHRI G. VENKAT SWAMY): (a) The Textiles Committee is an existing statutory body set up under the Textiles Committee Act, 1963 for ensuring quality of textiles and textile machinery manufactured indigenously, specially for exports. The Committee consists of a Chairman, appointed by Government; a Vice-Chairman who is Textile Commissioner, ex-officio; and others members comprising senior Government officials and prominent persons who have special knowledge or practical experience in matters relating to textiles industry and the manufacture of textile machinery. The Chairman and non-offical members, who are not ex-officio, are appointed every year by the Government.

(b) The Textiles Committee is actively propagating and popularising ISO 9000 Quality System Standards by means of organising awareness programmes, sponsoring man-power training, offering consultancy services etc. At present, Textiles Committee is offering consultancy services to 26 textile units in the spinning, weaving, wet-processing, ready-made garment and made-up sectors. One unit has already been awarded ISO 9002 certificate.